

Unequal Europe: A more caring agenda for the new Commission

The EU's prized project of 'Social Europe' has been slipping steadily down its political agenda.

Frank Vandembroucke highlights the recommendations of a high-level group he has chaired

Declining public confidence in the EU's ability to reconcile openness and cross-border mobility with robust welfare states and their generous social protection has seen rising disenchantment with the concept of 'European solidarity', and doubts about the European project itself.

Yet we can be confident about the future of our welfare states, not on the basis of a return to the pre-crisis status quo, but on the opportunities for change that are still available. Change must address Europe's widening inequalities and social imbalances, and open the way to greater cohesion between EU member states. Widening imbalances are, alas, a matter of fact for inequalities in Europe now divide both people and member states. There is a marked inequality between people with a good job and people without one. In many EU member states, income inequality and poverty are rising. Some countries are enjoying growth, but the economies of many others are sluggish. Europe's inequalities often relate to skills, and although some EU governments have invested in education and vocational training, others have been forced to drastically cut spending on these.

There are nevertheless significant opportunities for change. We need, first of all, more self-confidence about our social model. Widespread and persistent political misrepresentation of social policies has too often presented them as an economic burden. This view is ill-founded because social policies are fundamental to living standards and greater opportunities for all within a modern competitive market economy. As well as support of fairness and social cohesion, social policies are vital to competitiveness, and are a crucial investment for the future. Over the last few years, many scholarly studies have shown this; for instance a recent OECD report underlined their redistributive impact on economic growth.



Frank Vandembroucke was Belgium's social affairs minister (1999-2004) and education and employment minister in the Flemish Regional Government (2004-2009). He is currently a professor at the University of Leuven and holds chairs at the Universities of Antwerp and Amsterdam

This isn't to say that all is well. There is room for improvement because there are weaknesses in the performance of social policies, education policies and labour market policies. But rather than calling the essence of our welfare states into question, we need a wide-ranging review of the balance of demand and supply for different social programmes and social services, and their costs. This should be backed by an EU-wide effort to improve the performance of member states' social systems. Although responsibilities lie essentially at national level, an over-arching EU policy framework agenda could make a valuable contribution.

To promote social innovation and strengthen Europe-wide comparisons on efficiency and equity in outcomes, we don't need to start from scratch. If we look at the EU as a laboratory for learning, we already have instruments like the Open Method of Co-ordination. Australia, Canada, the United States and other countries with federal and quasi-federal systems take a positive view of Open Co-ordination, yet within Europe it has often met with scepticism, being perceived as too soft to deliver, or as a feeble excuse for the inconsistency of economic, budgetary and social policies.

Stronger and more credible links certainly have to be built between the EU's economic, budgetary, social and employment policies. The new European Commission should therefore clarify how it will make the 'mainstreaming' of social, employment, economic and budgetary policies more than an empty word that routinely pops up in official declarations. If mainstreaming is to be a tangible reality, the idea of mutual learning must also regain its credibility. We in Europe need an approach that takes us away from the behind-closed-doors character of Open Co-ordination, with the Commission and the European Parliament making a joint commitment to the European Union's basic social goals and giving their support to a comprehensive rolling review of national social policies and their inequalities.

This could help national authorities to improve their own social schemes and ensure that resources are allocated in the most balanced way possible by drawing on the experience of other member states. A focus of attention should be our capacity to tackle inequalities, and the setting-up of such a broad-ranging and ambitious review would certainly signal the seriousness with which the EU takes today's rising inequalities.

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Social dialogue is more than a key component of the European social model; there is a social dialogue system within the institutional set-up of the EU, even if it is sometimes forgotten. There's no denying the difficulty of organising social dialogue at the European level; in some EU countries, social dialogue is effective, efficient and representative, but in others the social partners have lost representativeness and credibility, and even barely exist. And the way in which the financial and economic crisis was managed, notably in the so-called programme countries, was at odds with the normal functioning of the social dialogue, and that has weakened the position of the social partners. The upshot is that the EU should invest in the social partners' capacity to play a more meaningful role, for instance by revisiting the role of the tripartite summit, rather than by persistently placing emphasis on the need for decentralised collective bargaining.

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The challenge is not just to reach collective agreements on topical issues, but rather on the challenges that lie ahead, and also on the ways Europe should be reformed. We need a high-level employment and social policy conference at EU level that would hold a thorough debate on future orientations; not a ‘big conference’ but a real exchange of views involving key people. Social dialogue at European level can be successful if its aim is to promote change.

A priority for bold action is youth employment. The member states and social partners need first of all to guarantee at national level the implementation of the Youth Guarantee launched by the EU last year with the aim of ensuring that all people under 25 – whether registered with employment services or not – get a good-quality, concrete offer within four months of them leaving formal education or becoming unemployed. On the basis of social dialogue, new proposals could be put forward to reinforce EU action on youth employment, whether through financial support initiatives like the better mobilisation of ESF funds or a new financial package to replace the €6bn ‘Youth Employment Initiative’ that will not be in place until the end of this year. Complementing the quality framework for traineeships with a quality framework for apprenticeships and/or vocational education is another possibility, but the key point is that the Youth Guarantee must not

lead to the ‘parking’ of young unemployed in inefficient training or occupational activities.

We Europeans must also resist protectionism in all its forms. Mobility within the EU is an unquestionable right, and within the context of freedom of movement, problematic issues should be identified and addressed. Myths about intra-EU labour mobility need to be systematically disproved. At the same time, now the European Court of Justice has confirmed that European citizens cannot simply move to another member state to claim benefits: Member states can prevent ‘benefit tourism’ within the existing European legal framework. Nevertheless, we should not be blind to some problems; even if there is no large scale social dumping, there are still blatant cases to be addressed of illegal work and exploitation linked with problems of inspection and enforcement of regulations. But intra-EU mobility problems go beyond social dumping. For most people, moving to another country for work reasons represents a success, but for others it can be a failure; half of London’s homeless population is repeatedly made up of migrants, with more than half of them EU citizens, so we have to address the failures of free movement.

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An EU programme should be introduced to protect for fair mobility, and that ensures finance for help desks, information and legal help for all mobile workers in Europe. Where possible, we should define minimum standards of labour conditions and social protection, taking into account new forms of labour like part-time workers. We should carefully monitor the implementation of the enforcement directive on the posting of workers, and we should consider the gradual introduction of ‘a guaranteed wage floor’. We also need tangible measures to improve the social context of mobility by increasing the portability of supplementary pensions across countries and sectors, and by strengthening the enforcement of social and employment rights of mobile and migrant workers. And the European Commission should examine how it can take a new initiative to clarify the balance between economic freedoms and the right to industrial action. This could help to solve the problems raised by some recent court decisions affecting the relationship between social rights and free movement.

Europe's debate on mobility and migration should make a clear distinction between intra-European mobility and permanent migration, which has both intra-EU and external dimensions. Discussion of external migration into the EU must be placed in its longer-term demographic context, because the shrinking European population means migration should be seen as a positive contribution. A major source of resentment about immigration in some countries is not migrants' nationality but their labour market status. The potential for creating a second-class workforce is dangerous, for although we need flexibility in the labour market, a peripheral workforce adversely affects a country's core workforce and contributes to a downgrading of working conditions.

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The issue on immigration is not only how to manage immigration flows but also how to manage social and professional integration. We need to recognise the enormous waste of immigrants' skills when they are not adequately integrated into the labour market, or are not allowed to develop their entrepreneurship potential. Member states confronted with the greatest need to house and integrate migrants need tangible support, so a new fund attached to the European Social Fund that would give support to the integration of EU migrants should be considered.

Education is key to social investment. The Commission has a comprehensive agenda on education, training and skills, and has issued excellent Recommendations on the modernisation of education systems. But this agenda has not exerted enough pressure at the highest levels of political decision-making on budgetary priorities. This is all the more alarming given our limited success in Europe on improving social mobility through education. We now risk seeing social mobility through education grinding to a halt. We should put public investment in education higher on the agenda if we are to reverse the trend of diverging investment in education across Europe. Simultaneously, member states should pursue reform in their education and skill systems.

Education is only one component of a social investment strategy that must also be about child care, health care and social development overall. The Social Investment Package adopted by the Commission two years ago was a good starting point, but the new Commission should now ensure that the EU and its member

states deliver on it, while also recognising that a far broader and ambitious approach is still needed.

The challenge is not just to develop 'good policy'; it is also to convince citizens that the EU cares about social policy and what it means to people. Tangible action is needed, and delivery. The Youth Guarantee is a case in point, but action and delivery are needed on other issues too. Homelessness is a societal problem with cross-border features where European co-ordination could make a real difference. The quality of social services and the disparate nature of hostels and shelters across the EU can trigger the cross-border mobility of homeless people. A European quality framework for homeless services, promised but not delivered by the European Platform Against Poverty, is needed to help ensure proper use of the EU Funds against homelessness. And the European Youth Guarantee fails to ensure that young people with complex needs like homelessness are included in member states' policies. One possibility would be to develop a Care Guarantee for young people who leave state care, which can be the first step towards homelessness. Vulnerable young people often lose support when they turn 18, so a guarantee that every 18-year-old gets a care plan that identifies problems and proposes appropriate solutions could be pursued at EU level to complement the Youth Guarantee.

The European Union needs to develop a stronger sense of common purpose based on shared concrete ambitions. This won't be easy because in our national welfare states we can see signs of an erosion of solidarity between generations. We are also witnessing a growing distrust of the EU fuelled in part by public frustration about the lack of leadership and transparency from the European institutions in response to the current crisis. This has given ammunition to those who aim to minimise the role of the EU, or even to encourage some member states to withdraw altogether.

Breaking this vicious circle is feasible. We Europeans don't lack common ground, but we are short on self-confidence. We must resist an unequal and unbalanced Europe, because Europe should stand for fairness and social cohesion, openness and social mobility, and hope for a better future – not just in solemn declarations, but also in practical day-to-day policies. ■

Frank.Vandenbroucke@kuleuven.be

Frank Vandenbroucke chaired Friends of Europe's high-level group on 'Social Union', and this article reflects its report "Unequal: Recommendations for a more caring EU". The full document can be downloaded on <http://www.friendsofeurope.org/event/unequal-europe-recommendations-caring-eu/>